United Nations TCDC/13/1

Technical Cooperation among Developing Countries

Distr.: General
2 April 2003

Original: English

High-Level Committee on the Review of Technical Cooperation among Developing Countries
Thirteenth session
New York, 27-30 May 2003
Item 2 of the provisional agenda

Review of progress in the implementation of the Buenos Aires Plan of Action and the new directions strategy for technical cooperation among developing countries

Summary

The present report is submitted in compliance with paragraph 10 of decision 12/1 B adopted by the High-level Committee on the Review of Technical Cooperation among Developing Countries at its twelfth session. Twenty-five years after the Buenos Aires Conference on Technical Cooperation among Developing Countries, it presents an analysis of progress in technical cooperation among developing countries in the 2001-2002 biennium. This includes a review of the contributions made by the developing countries, developed countries, intergovernmental organizations and organizations of the United Nations system. From the review, it is apparent that substantial progress has been made in implementing the recommendations contained in the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries and the New Directions Strategy for Technical Cooperation among Developing Countries.

The analysis points to the conclusion that while the approach to development has been transformed since the Buenos Aires Conference, technical cooperation among developing countries in particular and South-South cooperation in general remain strongly relevant in a period when developing countries face the challenge of entering a globalized market economy. South-South cooperation is widespread and substantial; however, inadequate information has become a major obstacle to the strategic orientation of policies and practices in this area. The paper concludes with recommendations for ways in which to increase the public profile of technical cooperation among developing countries in order to ensure that developing and donor countries and international organizations have a greater awareness of what is happening and what is needed to make technical cooperation among developing countries a truly dynamic instrument in the service of development.

03-31657 (E) 120503

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I. Introduction

1. The present biennial report to the High-level Committee on the Review of Technical Cooperation among Developing Countries is submitted in accordance with resolution 12/1 adopted by the High-level Committee at its twelfth session. It reviews implementation of the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries (BAPA), the New Directions Strategy for Technical Cooperation among Developing Countries and decisions of the High-level Committee during the period 2001-2002. Since the report is being submitted a quarter of a century after the adoption of BAPA, it presents a broader historical perspective than has been the practice in previous biennial reports to the High-level Committee. A number of its conclusions and recommendations are also based on that long view.

2. *Buenos Aires Conference*. The Plan of Action adopted in Buenos Aires contained 38 recommendations that established benchmarks for the assessment of South-South cooperation that is found in the present report. Fourteen of those recommendations were directed at the national level, 7 at the regional and subregional levels, 1 at the interregional level and 16 at the global level. Most indicated the direction and objectives of action rather than setting out specific measures to be taken. According to BAPA, the primary objectives of the recommendations at the national level were as follows: "to increase the awareness in each developing country of its own capabilities, skills and experience, and of those available in other developing countries; to establish and strengthen the necessary supportive arrangements — institutions, information, human and other resources — on which technical cooperation among developing countries must firmly be based; to identify specific opportunities for technical cooperation among developing countries, and to enhance the capacities of developing countries to organize and implement expeditiously and effectively projects with a technical cooperation among developing countries dimension."[1]

3. *New Directions*. Seeing the need to reorient technical cooperation among developing countries, the General Assembly, in its resolution 49/96 of 19 December 1994, requested the High-level Committee to report on new directions for technical cooperation among developing countries. New directions were necessary to respond to the challenges posed by increasing globalization. Subsequently, the General Assembly, in its resolution 50/119 of 20 December 1995, endorsed the recommendations contained in the report on new directions,[2] including the call for a more strategic orientation for technical cooperation among developing countries focusing on priority issues that would be likely to have a major development impact on a large number of developing countries. These issues included: trade and investment, debt, the environment, poverty alleviation, production and employment, macroeconomic policy coordination, education, health, the transfer of technology and rural development. The General Assembly also called upon all Governments and relevant United Nations organizations to consider increasing allocations for technical cooperation among developing countries and to identify new funding

[1] The Buenos Aires Plan of Action, para. 18.

[2] "New directions for technical cooperation among developing countries" (TCDC 13/3).

modalities to promote South-South cooperation[3] such as triangular cooperation (support by developed countries for technical cooperation among developing countries) and private sector funding. Governments and institutions of developing countries were called upon to increase joint efforts in technology cooperation aimed at strengthened scientific and technological management capabilities and demand-oriented information networks serving those involved in technological, infrastructure or human resources development. The implementation of the recommendations contained in the Buenos Aires Plan of Action and the New Directions Strategy for Technical Cooperation among Developing Countries[4] is the focus of the present report.

4. In preparing the report, the Special Unit for Technical Cooperation among Developing Countries of the United Nations Development Programme (UNDP) drew on information generated from its regular activities, responses to questionnaires that it had circulated, published reports, Internet searches and, where necessary, telephone interviews. The questionnaires, tailored to the various categories of respondents, were sent to all developing and donor countries; organizations of the United Nations system, including the regional commissions, UNDP bureaux and country offices; and a range of relevant intergovernmental organizations and non-governmental organizations (NGOs). They solicited information on the implementation of BAPA and the New Directions Strategy, with particular reference to policy and institutional arrangements, the volume of operations, examples of cooperation and recommendations for improving the use of technical cooperation among developing countries.[5] The use of Internet search engines for the present report breaks new ground and provides information that otherwise would not have been captured.

II. Overview of performance

5. Despite incomplete information about the implementation of BAPA and the New Directions Strategy, two initial observations can be made. One is that a number of developing countries have experienced significant progress in the decades since the Buenos Aires Conference, substantially broadening the capacity for technical cooperation among developing countries. The second is that this progress has been ad hoc: in the absence of adequate information and analyses, recommendations relating to the formulation of policies and strategies relating to technical cooperation among developing countries, which were reaffirmed in the New Directions Strategy, have not been fully implemented. Although developing countries undoubtedly consider South-South cooperation to be (in the words of the New Directions Strategy) an "important element of international cooperation for development as well as an essential basis for national and collective self-reliance and a means of promoting the integration of developing countries into the world economy", there is

[3] The term "South-South cooperation" refers to collaboration among developing countries in general, which includes technical as well as economic cooperation. For a more detailed explanation of these terms, see Secretary-General's report on measures to promote and facilitate south-south cooperation (A/57/155).

[4] New Directions Strategy for Technical Cooperation among Developing Countries (DP/1997/L.9).

[5] Not all the responses to the questionnaire distributed by the Special Unit have been included in this report due to space limitations.

little evidence that governments have given priority to technical cooperation among developing countries in their broader development policies. The process of preparing the present report has made it clear that although cooperation among developing countries has become widespread because it is practical and cost-effective, most practitioners are not guided by institutional policy.

6. Part of the problem is that there is little recollection of the Buenos Aires Conference, even within the United Nations system. Many Governments have moved away from the command philosophy prevalent at the time of the Conference. There seems to be little recognition that technical cooperation among countries is central to the operation of international markets and that among developing countries, the capacity to participate on the basis of shared interests and needs will be a critical determinant of success in integrating into a global system built on multiple levels of coordination and cooperation among the major players.

7. The failure to adopt a strategic approach to technical cooperation among developing countries is most clearly reflected in the fact that despite the substantial economic and technological progress of a number of developing countries and the wide prevalence of technical cooperation among developing countries in international cooperation, developing countries have gained little in terms of collective self-reliance or a more equitable participation in the world economy. This is especially true for the poorest developing countries. The number of least developed countries (LDCs) has increased steadily over the three decades since the United Nations began to categorize them, and there are now 49. Their participation in the world economy has declined since the Buenos Aires Conference. Perhaps the most telling index of failure can be found in statistics showing that the average income in the richest 20 countries is 37 times the average in the poorest 20 — a gap that has doubled in the last 40 years.[5]

Table 1. Least developed countries' share of world trade
(%)

	Exports	Imports
1980	0.72	1.10
2001	0.58	0.70

Source: United Nations Conference on Trade and Development (UNCTAD), **UNCTAD Handbook of Statistics, 2002.**

8. An overall assessment of the implementation of BAPA and the New Directions Strategy also reveals the following salient points:

(a) A number of vibrant institutions have been established by developing countries to undertake technical cooperation among developing countries;

(b) As regional and subregional integration proceeds among developing countries, there are more and more opportunities for technical cooperation among developing countries;

(c) The increased interaction among developing countries involves a widening spectrum of sectors and includes areas of high technology;

(d) Interregional cooperation is also growing but at a slower rate than that of intraregional cooperation;

(e) Donor countries are widely supportive of South-South cooperation;

(f) International agencies are also broadly involved in supporting and sponsoring South-South cooperation;

(g) NGO involvement in South-South cooperation is increasing.

III. Developing countries

9. The responses to the questionnaires circulated by the Special Unit for Technical Cooperation among Developing Countries indicate that a number of Governments have established vibrant programmes on technical cooperation among developing countries. Most have units within government ministries to deal with South-South cooperation, and budget allocations ranged from a few thousand dollars in one of the LDCs of Africa to tens of millions of dollars in some of the pivotal countries. However, every respondent noted the lack of finance as a constricting factor in South-South cooperation. The prevalent forms of such cooperation have been study tours, seminars and workshops, with a very wide diversity of sectoral activities. Cooperation was undertaken in areas ranging from agriculture, education and communications to trade and investment, the environment, infrastructure, science and technology, and production and employment. Of the areas covered by the New Directions Strategy, only one area was not mentioned repeatedly by respondents to the questionnaire: international debt. One country in Latin America mentioned its competence in debt management as a potential for technical cooperation among developing countries; none saw this as a need despite the fact that since the Buenos Aires Conference, the international debt of developing countries has more than tripled, rising from $329,410 million in 1980 to $1,213,530 million by 2000. (The problem is concentrated among LDCs: of the 42 heavily indebted poor countries identified by the International Monetary Fund, 30 are LDCs.)

10. Almost without exception, respondents also agreed that trends towards regional and subregional integration were the factors contributing the most to South-South cooperation. Most of them also cited the need to work together to benefit from globalization and to meet common challenges. Many respondents noted that the growing number of experts from developing countries was a contributory factor.

11. Lack of information was seen as a significant hindrance to cooperation not only by developing countries but by donors and international agencies as well. Another factor widely noted by Governments made clear the nature of the problem: only two of the respondents from developing countries stated that they had databases of available experts in their own countries. While there was universal agreement that such a database was important and all respondents said that they were aware of the existence of the Web of Information for Development (WIDE) database maintained by the Special Unit for Technical Cooperation among Developing Countries, few claimed to make more than occasional use of it. The lack of mechanisms to coordinate and manage South-South cooperation and the lack of effective institutions were other inhibiting factors noted by many respondents.

12. The LDCs that responded to the questionnaire, such as Bhutan, Burkina Faso, Lao People's Democratic Republic, Tanzania and Senegal, including those that are heavily indebted did not indicate that debt relief and management were a matter of

cooperation with other developing countries, nor did the landlocked countries indicate any cooperative effort to deal with shared problems. The involvement of Bhutan in South-South cooperation was concentrated on the development of infrastructure, education, communications and information services. The sectoral involvement of Burkina Faso covered health and medicine, communications and information services. Senegal focused on initiatives of technical cooperation among developing countries in the areas of agriculture, infrastructure, education, health and medicine, and science and technology. Among the priority areas mentioned in the New Directions Strategy, Bhutan indicated involvement only in capacity-building, but this could include a range of other substantive areas of cooperation. The focus of Burkina Faso with respect to these priority areas was on trade and investment, environment and poverty alleviation; for Senegal, it included those three areas plus aid management, macroeconomic policy coordination, and production and employment. Both of the African LDCs noted political conflicts along with lack of financial resources as the major impediments to increased South-South cooperation. Triangular cooperation has involved human-resource development with Singapore and Thailand in the case of Bhutan and with Cuba and the Libyan Arab Jamahiriya in the case of Burkina Faso.

13. In Latin America, several countries reported strong programmes in support of South-South cooperation. Colombia reported a range of cooperation initiatives that included empowerment of government institutions and it was unique among respondents in providing support for debt relief management. It is one of the two countries that reported having a database on experts and existing capacities in technical cooperation among developing countries. Costa Rica reported South-South cooperation in education, health, and science and technology. Cuba indicated that its strengths in South-South cooperation were in health, education, environment, agriculture, fishery, biotechnology and disaster prevention. It was involved in programmes on food security with a number of other developing countries in the Africa and the Latin America and the Caribbean regions under the auspices of the Food and Agriculture Organization of the United Nations. Peru noted its cooperation with countries in Central America, with support from Japan. Its strengths as a partner were in fisheries, prevention of natural disasters and anti-earthquake building practices.

IV. Pivotal countries

14. Following the formulation of the New Directions Strategy, the UNDP Special Unit for Technical Cooperation among Developing Countries convened, in November 1997, a meeting of 23 developing countries that had a strong record of supporting technical cooperation among developing countries. These were: in Africa: Ghana, Mauritius, Nigeria, Senegal and South Africa; in Asia: China, India, Indonesia, Malaysia, Pakistan, Republic of Korea, Singapore and Thailand; in Central and Eastern Europe: Malta and Turkey; in Latin America and the Caribbean: Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, Mexico, Peru and Trinidad and Tobago; and in the Middle East: Egypt and Tunisia. The role of these pivotal countries (as they have come to be called) in South-South cooperation is discussed below.

Table 2. Exports of pivotal countries to developed and developing countries
(%)

	Developed Countries		Developing Countries	
	1980	2001	1980	2001
Argentina	44.8	30.8	32.7	65.3
Brazil	59.4	56.2	32.6	38.2
Chile	63.8	58.4	32.0	38.9
China	44.8	56.6	41.4	41.0
Colombia	76.3	61.2	20.1	37.0
Costa Rica	63.2	71.7	36.7	21.8
Cuba	42.1	48.8	50.5	22.7
Egypt	68.9	62.6	19.0	24.6
Ghana	76.3	66.9	4.5	20.1
India	49.1	55.7	30.6	40.1
Indonesia	77.7	54.9	21.6	44.3
Malaysia	59.7	51.1	37.0	48.3
Malta	79.9	66.0	10.4	28.0
Mauritius	96.6	89.6	3.2	10.3
Mexico[b]	89.6	93.4	8.3	6.1
Nigeria	92.0	72.2	7.7	27.2
Pakistan	37.0	57.9	58.7	39.8
Peru	64.3	62.9	28.2	35.7
Republic of Korea	64.9	49.4	31.6	49.0
Senegal	54.0	55.8	34.6	37.9
Singapore	41.1	41.0	55.0	58.5
South Africa[a]	64.2	65.2	35.2	34.0
Thailand	58.0	57.7	39.2	41.6
Trinidad and Tobago	73.1	70.4	18.7	28.5
Tunisia	87.1	82.1	10.1	13.2
Turkey	57.9	64.9	24.7	18.6

Source: UNCTAD, UNCTAD Handbook of Statistics, 2002.

[a] Statistics for South Africa are for 2000, not 1980.

[b] Mexico is no longer categorized as a developing country; it is now a member of the Organisation for Economic Cooperation and Development.

NB. The numbers do not add up to 100 because the exports to Eastern European countries are not shown.

15. China was the largest of the pivotal countries to respond to the questionnaire. It reported activities in South-South cooperation that focused on agriculture, mining, trade and industry, education, health and medicine, science and technology and information services. Cooperation covered a wide range of activities, including the conduct of joint research, provision of information services and organization and participation in network activities. Among the areas stressed in the New Directions Strategy, China has focused on the environment, poverty alleviation, coordination of macroeconomic policies and science and technology. Strategic initiatives included work on the development of the Tumen River and Lancang-Mekong River Basin areas, the Silk Road and cooperation with African countries. The country has special expertise in agriculture, renewable energy (small hydropower, biogas, solar), meat processing, farming of fresh water fish and communications technologies. China, a donor to the Voluntary Trust Fund for South-South Cooperation, supports, among other things, the analysis of current policies, regular contacts among focal points for

technical cooperation among developing countries, meetings of pivotal countries and workshops on the development of software. A database on the country's experts and capacities for technical cooperation among developing countries is being prepared.

16. Malaysia provided information about the Malaysian Technical Cooperation Programme (MTCP). Established in 1980, it has provided training and consultative services to other developing countries in project planning and management, information and communications technology, public administration, poverty eradication and diplomacy. In 2001, 862 participants from 85 developing countries attended MTCP courses. In 2002, those numbers rose to 997 participants from 98 countries. A fact-finding mission was sent to Cambodia, Lao People's Democratic Republic, Myanmar and Viet Nam in 2001 under the auspices of the Association of Southeast Asian Nations (ASEAN)-Mekong Basin Development Cooperation agreement. Another expert mission went to Algeria to study the issues of economic diversification. MTCP also provided supplies and equipment to support development projects in other countries. In 2002, the Malaysian Agricultural Research and Development Institute provided hands-on training to partners in Malawi.

17. Turkey reported playing a leading strategic role in four different cooperation efforts: in the Economic Cooperation Organization; in Black Sea Economic Cooperation; in the Stability Pact for South Eastern Europe; and in the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference. Some 800 cooperation programmes with a biennial budget of $34 million ranged across all economic sectors and involve 7,600 participants from 80 countries. Particular areas of strength were in the development of small and medium enterprises, the development of economic infrastructure, and the health, textiles and leather industries. Project outputs included the first foundry to be built in Gambia and the establishment of universities in Kazakhstan and Kyrgyzstan. Turkey is also one of the few countries that reported having conducted a comprehensive study of its own technical cooperation capacities.

18. For the pivotal countries which did not respond to the questionnaire sent out during the preparation of the present report, information available on the Internet — much of it not up to date in terms of statistical detail but relevant in terms of overall policy and approach — indicates that cooperation among developing countries is widespread and diverse.

19. Brazil, for instance, has a web page (http://www.abc.mre.gov.br/ingles/ctpd/ctpd.htm) that contains the statement that "the Brazilian Government attaches the greatest emphasis on TCDC [technical cooperation among developing countries] as an instrument for conducting its international policy and as an auxiliary mechanism for the promotion of the social and economic development of its cooperation partners. TCDC may therefore allow for the transfer of expertise and techniques, as well as for the strengthening of relations among countries, while identifying issues of interest for future commercial agreements among concerned institutions". The technical cooperation of Brazil is mainly with countries from Central America and the Caribbean but the country is also cooperating with, South America, Africa, Asia and Eastern Europe. Projects have focused on the areas of health, agriculture and livestock, industry, public administration, environment, energy, education and mining. One of the stated policy aims is to "closely

collaborate with private initiative entities, Government institutions, state enterprises, education, research and development institutions and international organizations, in such a manner as to channel complementary sources of funding for TCDC actions and their involvement in programmes and projects identified".

20. India is another large pivotal country with information on the web (http://meadev.nic.in/foreign/itecprog.htm) about its activities in technical cooperation among developing countries. The Indian Technical and Economic Cooperation (ITEC) Programme has been in existence for nearly four decades and the Government has spent some $2 billion through it and other programmes of technical assistance to 130 developing countries in Africa, Asia, Eastern Europe and Latin America. ITEC assistance takes the following forms: training (civil and military); projects and project-related assistance such as consultancy services and feasibility studies; deputation of experts abroad; and study visits. Participants in ITEC training programmes are government nominees and they number 1,300 every year; including about 400 military personnel. Training has covered diplomacy, mass media, foreign trade, management, audit and accounts, banking, manpower planning, agriculture, rural development, small-scale industries, and computer and information technology. Military training covers a wide range of subjects related to security and strategic studies.

21. Nigeria has promoted South-South cooperation through the Nigeria Trust Fund. Established in 1976, the Fund currently has resources amounting to $432 million. Operated by the African Development Bank (ADB), the Fund is used to provide financing for projects of national or regional importance. In 2002, Nigeria announced that the interest rate on loans from the Fund would be at two per cent instead of four per cent and that part of the net income of the Fund would be directed to the support of the Heavily Indebted Poor Countries Initiative in support of loan-burdened countries. In 2001, a $25 million Nigeria Technical Cooperation Fund was established by the country's Technical Cooperation Agency under the management of the ADB. It will be used to finance scientific research and technological development in Africa.

22. South Africa, which has the most developed economy in sub-Saharan Africa, has developed broad cooperative links with other African countries bilaterally and through regional forums. A significant bilateral agreement that involves technical cooperation among developing countries is the Maloti-Drakensberg Transfrontier Conservation and Development Project. The project involves South Africa and Lesotho, a landlocked LDC, and is supported by a $15.24 million grant from the World Bank through the Global Environment Facility. It is a collaborative effort by South Africa and Lesotho to protect the exceptionally rich biodiversity and promote sustainable development in the Drakensberg and Maloti Mountains straddling their border. The project will also protect rock art in the mountains and holds exciting opportunities for economic development based on natural and cultural resources. On the South African side, a substantial part of the project area has been listed as a World Heritage site and there is the potential for collaborative work to secure similar areas within Lesotho.

23. A significant aspect of recent developments has been the growing interaction among the pivotal countries. For instance, trade between China and India has grown rapidly in the last decade, from $264.8 million in 1991 to $4.3 billion for the period January-November 2002. Transnational corporations now have a strong role in the

trade of a number of developing countries, especially China and ASEAN members, reflecting the growth of transnational production chains in Asia. In the case of China, among the strongest performers in export growth, this has led to a rise in the share of exports represented by foreign affiliates from 17 per cent in 1991 to over 50 per cent in 2001.[6]

24. Links between India and ASEAN (which includes several pivotal countries) multiplied significantly in the last biennium. India-ASEAN trade in the period 2001-2002 was about $7.8 billion, over three times the 1993-1994 trade figure of $2.5 billion. Economic liberalization in India has attracted an increasing amount of foreign direct investment (FDI) from Malaysia, Singapore and Thailand to crucial new sectors such as telecommunications and tourism as well as to traditional heavy industries, chemicals, fertilizers, textiles and food processing. India and ASEAN also have a broad-based programme of cooperation that includes information technology, biotechnology, advanced materials and space applications. The India-ASEAN Institute of Biotechnology has been established in Jakarta. In September 2002, an India-ASEAN Free Trade Area regional trade and investment area was endorsed as a long-term objective, and agreement was reached to set up an economic linkages task force to prepare a draft framework agreement for enhancing trade and economic cooperation. An India-ASEAN Business Summit was held in October 2002, bringing together ministers and government officials with top business executives. Participants at the first meeting of the India-ASEAN Working Group on Transport and Infrastructure agreed in September 2002 that cooperation could be achieved at the institutional and private-sector levels in railways, roads, shipping, inland waterways, ports and maritime training. A network of think tanks in India and ASEAN is also being planned (http://meadev.nic.in/foreign/asian-indrelations.htm).

V. Regional integration

25. As was reported at the twelfth session of the High-level Committee, most technical cooperation among developing countries occurs within the framework of regional integration efforts. For example, the Constitutive Act of the African Union, which replaced the Organization of African Unity in July 2002, calls for a continental economic and monetary union. The year 2002 also saw the initiation of the New Partnership for Africa's Development, an initiative sponsored by the Presidents of Egypt, Nigeria, Senegal and South Africa that has gained unprecedented political support in Africa and internationally.

26. In March 2002, the United Nations Economic Commission for Africa (ECA) organized the Africa Development Forum III, and presented its first Annual Report on Integration in Africa (ARIA-2002), explaining the background, rationale and process envisaged for the creation of the African Union. The Forum adopted a 22-point consensus statement on regional integration and the way ahead, which was presented to the first African Union summit.

27. The United Nations Economic and Social Commission for Western Asia (ESCWA) reoriented its activities in 2002 to focus on the management of regional resources, region-specific and culturally sensitive social policies, economic analyses that would promote harmonization of policies, support of human resource

[6] UNCTAD, *World Investment Report 2002*.

development, the generation of data and analyses to support sound development policies, and continued support for Yemen, the only LDC in the region.

28. In 2002, ESCWA published the first issue of the Annual Review of Developments in Globalization and Regional Integration in the Countries of the ESCWA Region. The report put attempts at regional integration into historical perspective, looking back to the creation of the League of Arab States in 1945. The most successful ESCWA attempt at subregional integration has involved the Gulf Cooperation Council (GCC), which aims at the adoption of a common currency by 2010 and eventual full economic unity of its six members (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates). In 2001, GCC countries agreed to establish a unified customs tariff of five per cent as of 1 January 2003. Other decisions have allowed free movement of professionals among GCC countries and common acceptance of professional qualifications.

29. These moves towards integration come at a time when the intraregional trade of ESCWA as a proportion of the region's total trade has declined both in percentage terms — from 9.6 per cent in 1998 to 7.5 per cent in 2001 — and in absolute terms (from $32.27 billion in 2000 to $30.54 billion in 2001). These figures reflect a number of factors, including similarity of production structures within the region and inward-looking development and economic strategies.

30. Among the institutions working for greater regional integration is the Arab Organization for Agricultural Development in Khartoum, which reported to the Special Unit for Technical Cooperation among Developing Countries that training and study programmes drew 3,060 participants from 21 countries in the period 2000-2001. Its budget for technical cooperation among developing countries in 2001 was $2.2 million, up from $1.3 million in 1999 but down from $2.4 million in 2000. In terms of research, it had supported work involving 23 institutions aimed at the eradication of the Old World screw-worm fly and bio-control of the red palm weevil. The objectives of cooperation were to build capacity, transfer and develop technology and reduce environmental pollution.

31. The South Asian Association for Regional Cooperation (SAARC), comprising Bangladesh, Bhutan, India, Mauritius, Nepal, Pakistan and Sri Lanka, was established in 1985 with a narrow technical focus, but it has extended its reach into the environmental, social and security areas. It exchanges information, formulates programmes and prepares projects through 11 technical committees ranging from Agriculture to Women's Development. One of the results of cooperation is the SAARC Food Security Reserve, maintained at a minimum level of 200,000 tons of food grains. The South Asian Preferential Trading Arrangement, which became operational in December 1995, aims to create a South Asian free trade area (SAFTA) between 2008 and 2010. A high-level group has also recommended that SAFTA become a South Asian customs union by 2015 and eventually a South Asian economic union in 2020 (http://www.saarc-sec.org).

32. The fall of tariff and non-tariff barriers to trade in the context of globalization has focused attention in South America on physical obstacles, especially the scarcity of highway and railroad links. Existing railway links are not being maintained and are increasingly in a state of disrepair. Action to improve the situation was considered at a ministerial meeting in August 2002.

33. The Training Centre for Regional Integration (CEFIR) in Uruguay (http://www.cefir.org.uy) is a notable initiative of the Rio Group and the European Union. It promotes the exchange of experience and information among high-level public and private officials involved in the formulation, management and implementation of public policies on integration within the context of MERCOSUR (Argentina, Brazil, Paraguay and Uruguay), the Andean Community (Bolivia, Colombia, Ecuador, Peru and Venezuela) and other regional free-trade arrangements. The current phase of the CEFIR programme will last for five years (2001-2005). The Rio Group consists of Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, Venezuela and Guyana on behalf of the countries of the Caribbean.

34. The first meeting of the Executive Committee of the Statistical Conference of the Americas, hosted by the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) and Brazil in March 2002, represents another notable beginning. It follows the first United Nations Inter-agency Coordination Meeting on Regional Statistical Information hosted by ECLAC in May 2001. Participants at both meetings exchanged ideas and worked on coordination arrangements. ECLAC is compiling an inventory of activities relating to the collection and dissemination of statistical information in the region and has developed a system to monitor national progress towards the goals set by various United Nations summits and conferences (ECLAC: http://www.eclac.cl and the Caribbean Community (CARICOM): http://www.caricom.org).

VI. Developed countries

35. Japan reported cooperation across a wide range of sectors, with emphasis on agriculture, mining, trade and industry, communication, science and technology and information services. With respect to priority areas mentioned in the New Directions Strategy, it indicated involvement in every area: trade and investment; debt relief and management; environment; poverty alleviation; production and employment; macroeconomic policy coordination; and aid management. Japan actively supports South-South cooperation because it has "demonstrated steadily improving effectiveness in alleviating intraregional gaps in the economic and technology dimensions, fostering stronger intraregional trade and investment".

36. In addition to the usual triangular financing arrangements, Japan has a partnership programme to encourage economically robust developing countries to become donors themselves. To date, Brazil, Chile, Egypt, Mexico, Singapore, Thailand and Tunisia have participated in this emerging-donor partnership, which sets targets, shares costs and provides experts for training programmes in third countries. Japan also supports a number of broad regional cooperation arrangements: the development of the Mekong River Basin and the African Institute for Capacity Development (first phase: 2000-2002; second phase: 2002-2007). Ongoing South-South cooperation projects of the Japan UNDP Human Resources Development Fund involve Africa-Asian joint research on New African Rice; water-demand management in Middle East and North Africa; development of governance capacity in Africa; post-crisis recovery and reconstruction in Afghanistan, and the Africa-Asia Business Forum III (bringing business people from the two continents together to share experience and explore common interests). Among developed donors, Japan

contributed $4,650,000 the highest amount of support to the programmes of the Special Unit for Technical Cooperation among Developing Countries during the period under review.

37. All the major donor countries are active supporters of South-South cooperation although not all use the terminology of the United Nations or report their support to the High-level Committee through the Special Unit for Technical Cooperation among Developing Countries. For instance, a search for "South-South cooperation" on the web sites of the International Development Research Centre in Canada and the Japan International Cooperation Agency produced over a hundred hits each, while at the web site of the Swedish International Development Cooperation Agency and at EuropeAid, the web site of the European Union, there were none although both entities provide substantial support for cooperation among developing countries.

38. The United States Centers for Disease Control and Prevention, with support from the United States Agency for International Development (USAID), published the report "South-to-South collaboration: lessons learned" in 2002. Based on interviews with 80 donor representatives, USAID contractors and nationals of developing countries, the report identified "networks, study tours, technical assistance and training, and meetings and conferences" as the most common approaches to South-South cooperation in USAID-sponsored programmes. It underlined the importance of project designs enabling developing-country partners to determine the most appropriate approaches to use with respect to South-to-South collaboration and noted that several other determinants of success were clearly identified objectives, appropriate and committed participants, ongoing monitoring and follow-up evaluation. The study found that longer-term relationships with opportunities for follow-up activities and continued funding were more beneficial to donors and recipients than one-time projects.

39. The European Union, through its Euro-Mediterranean Partnership (launched at a 1995 conference in Barcelona, Spain), extends financial and technical assistance to promote regional dialogue, exchange and cooperation. This Partnership aims to establish a free-trade area by 2010 that will include the European Union and its 12 Mediterranean partners: Algeria, Morocco and Tunisia (Maghreb); Egypt, Israel, Jordan, Lebanon, the Occupied Palestinian Territories and the Syrian Arab Republic (Mashrek); and Cyprus, Malta and Turkey. (The Libyan Arab Jamahiriya currently has observer status at certain meetings.) Among the key elements of the programme are the development of human resources, promotion of understanding between cultures and rapprochement of the peoples in the Euro-Mediterranean region. The second phase of the programme (2000-2006) is funded at over $5 billion (€5.35 billion) (http://www.developmentgateway.org/node/137197/).

40. An innovative example of triangular cooperation is SciDev.Net, a free-access, Internet-based network devoted to reporting on and discussing those aspects of modern science and technology that are relevant to sustainable development and the social and economic needs of developing countries. The site provides a focal point for both authoritative information and informed debate on development issues relating to science and technology and addresses the information needs of a range of scientists, students, journalists, government decision makers, international aid agencies and NGOs. Support from Britain, Canada and Sweden helped to launch SciDev.Net in December 2001 (http://www.scidev.net).

VII. United Nations system

41. The Buenos Aires Conference recommended that the United Nations development system identify development solutions through technical cooperation among developing countries; apply approaches of technical cooperation among developing countries; support projects in technical cooperation among developing countries; develop, strengthen and/or reorient regional and subregional information systems; strengthen public-information support for technical cooperation among developing countries; monitor and review the above, maximize developing country inputs, and integrate and operationalize technical cooperation among developing countries into programmes of work. The Conference called especially for the strengthening of UNDP capacity to support technical cooperation among developing countries and urged close cooperation with the United Nations regional economic and social commissions. All organizations of the United Nations system, and especially the regional commissions, have reported on their efforts to implement these recommendations.

42. UNDP has continued to support South-South cooperation by seeking development solutions from the growing number of world-class institutions and individual experts in the South. An expanded network of field-based UNDP staff works with key partners to engage these resources in providing advisory services to programme countries. In addition to such traditional areas of technical cooperation as science, technology and administration, experts from the South now deal with judicial reform, local government, human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS), information and communications technology and poverty eradication. Triangular cooperation has also gained new significance in the work of UNDP as Northern and Southern institutions and experts form collaborative networks to conduct joint research and share technological and financial resources while building stronger institutions in the South. An outstanding example of such partnership has involved the West Africa Rice Development Association and other partners from the North and the South, resulting in the development of new high-yielding and high-protein rice varieties called New Rice for Africa (NERICA). NERICA varieties promise to increase rice production to 744,000 tons, reducing rice imports in West Africa and saving $88 million in foreign exchange per year by 2006. Farmers growing NERICA varieties are likely to increase their incomes from rice by 25 per cent.

43. The Special Unit for Technical Cooperation among Developing Countries has sought to support innovative approaches to South-South cooperation through programmes on social protection for individuals in the informal sector and through the promotion of business-to-business linkages. The Special Unit continued to publish its journal, Cooperation South, which enabled it to strengthen its capacity for highlighting policy options and for building and sharing knowledge in such areas as information and communications technology for development, intellectual property rights and social protection. It also continued to update its information system, WIDE, providing an array of online services, including information on Southern expertise and innovative development practices. In addition, it initiated collaboration with the Bureau for Development Policy to link WIDE with other databases maintained by the subregional resource facilities. When this work is completed, WIDE will become a major Internet gateway, providing information to

the development community on a large number of experts and institutions in the developing world.

44. An innovative initiative on HIV/AIDS in Botswana, initially sponsored by the Special Unit, was launched by the Administrator in 2001. Responding to the epidemic through collaborative efforts, the initiative drew upon Brazilian experience in countering the disease via the country's education system. Support to the member countries of the Group of 77 led to the formulation of the Teheran Consensus, a blueprint for consolidating key agreements reached by the Group of 77 over the past three decades. The Special Unit also collaborated with the Bureau for Development Policy in assisting the member countries of the Group of 77 with their preparation for the World Trade Organization (WTO) Fourth Ministerial Conference in Doha, Qatar in November 2001. More detailed information on the work of the Special Unit is contained in document TCDC/13/2.

45. Two recent United Nations conferences are notable in the context of South-South cooperation. The Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010 stressed the need for developing countries to pool their institutional, intellectual and technical resources as they tackle common development challenges. The Monterrey Consensus on Financing for Development emphasized South-South and triangular-cooperation approaches to capacity development in developing countries and countries with economies in transition. In particular, the Monterrey Consensus called for enhanced South-South capacity development in areas such as development of institutional infrastructure, human-resource development, public finance, mortgage finance, financial regulation and supervision, public administration, social and gender budget policies, debt management and early warning and crisis prevention. These recommendations will inform the formation of the third cooperation framework for technical cooperation among developing countries in 2003.

46. The UNDP Regional Bureau for Arab States (RBAS) reported that there was a move towards more complex forms of exchanges among developing countries in two regional programmes on microfinance, including quality assurance issues, through the MicroStart Programme. Additionally, technical cooperation among developing countries was commonplace in the Arab States region in the execution of country and regional programmes. With its focus on poverty alleviation, RBAS worked on projects involving education in rural communities, trade competitiveness and microfinance (mainly to improve the welfare of women). Participating countries were Algeria, Lebanon, Morocco, Tunisia and Yemen. Another initiative involved Morocco funding a project for the transfer of technology and education in Senegal.

47. The United Nations Capital Development Fund (UNCDF) reported that as required by the Economic and Social Council, it always gives first consideration to the modality of technical cooperation among developing countries. Among the issues mentioned in the New Directions Strategy, it deals with environment, poverty alleviation, and production and employment. In its view, the factor that contributes most to increased cooperation among developing countries is the need for concerted efforts to overcome common challenges; the greatest obstacles are lack of knowledge and information and lack of finance. UNCDF, which draws support from core UNDP resources and project funding, has shared project costs with Belgium, Britain, France and Luxembourg. Among its successful projects relating to technical cooperation among developing countries are those on policy reform, capacity

development and transfer of technology in Bangladesh and Nigeria, which involve non-governmental microfinance institutions.

48. The LatinPharma 2002 project is an initiative of the International Trade Centre (ITC). It addresses the situation in Central America, which imports 76 per cent of essential drugs while 200 or so local companies capable of producing them have idle capacity ranging from 10 and 50 per cent. A three-day event engaged 100 representatives from business, government, academia and trade-support institutions in exploring strategic alliances to find practical solutions in the areas ranging from research and development to good manufacturing practices and certification by the International Organization for Standardization. Regional marketing strategies were drafted, joint purchasing agreements signed, new relationships initiated between companies and regional universities, and the foundation laid for the development of a sustainable pharmaceutical industry in Central America. At the request of the Andean Community, an expanded LatinPharma will be organized in Lima, Peru in July 2003.

49. The International Telecommunication Union (ITU) reported that it always accords technical cooperation among developing countries first consideration in its programmes as mandated by the Economic and Social Council. Its activities cover communications, science and technology, information services, and trade and investment. ITU saw the growing trend towards subregional and regional integration as the factor contributing the most to increased cooperation among developing countries and the lack of finance as the most inhibiting factor. Support for its projects comes from core funds, and in 2000-2001, these projects involved 102 training programmes with several thousand participants, 482 expert missions to 48 countries, and a total budget of $16.9 million. South-South research involved cooperation between two institutions, 15 countries and the preparation of case studies on Internet use, telecommunications and information technologies. Support for capacity development involving 20 university or other training centres came from the Telecommunications Regulators Association of Southern Africa, the Asian Development Bank and other regional banks. ITU helped to establish six networks in the developing world that deal with human-resource development, training, regulation and business management. Projects benefiting 31 developing countries drew on in-kind donations from national governments and support from three international organizations and 11 bilateral donors. A particularly successful project helped with policy and institutional reform, capacity development and the transfer of technology in providing service and rural connectivity in Algeria, Egypt, Jordan, the Occupied Palestinian Territories, Saudi Arabia, Somalia, Sudan, Syrian Arab Republic and Yemen. The project drew support from France, Sudan and the United Arab Emirates. From a project involving the reform of practices in the Sudan Telecom Company and the dissemination of its results to other developing countries, ITU noted that "TCDC does not necessarily need large amounts" of cash or dedicated infrastructure.

50. The Joint United Nations Programme on HIV/AIDS (UNAIDS) is a strong proponent of South-South cooperation, seeing it as a "priceless commodity in the fight against AIDS". Benefits have been realized between adjacent countries, in subregional cooperation, at the regional level and across regions. The modality of South-South cooperation is used in planning, mobilization, building of partnerships and strengthening capacity. At seminars to promote South-South cooperation on HIV/AIDS, activists from Africa, Asia and Latin America have shared experiences

and formed cooperative networks that help in the planning and administration of HIV/AIDS programmes. The International Partnership against AIDS in Africa, a coalition under the leadership of African Governments that brings them together with donors, the private sector, civil society and the United Nations system, is the largest example of intensified South-South cooperation focused on a single urgent issue. UNAIDS saw South-South cooperation as "pre-eminently a 21st century strategy" because it is a knowledge strategy reflecting the empowering reality of shared knowledge: "Nowhere is this demonstrated more clearly than the emerging influence of South-to-South contact as a strategy to drive down the price of AIDS drugs."

51. The United Nations Conference on Trade and Development (UNCTAD) reported that it supports economic and technical cooperation among developing countries through all its technical cooperation programmes, in particular its regional and subregional projects. It does so in the areas of policy analysis, institutional capacity development and training. Workshops, seminars and training courses are particularly important in the exchange of experience and to work out the modalities for continuing cooperation among developing countries. Special attention is given to technical cooperation among developing countries in providing advisory services in all four areas of the work of UNCTAD: globalization and development; international trade in goods and services and commodity issues; investment, technology and enterprise development; and services infrastructure for development and trade efficiency. Total expenditure on technical cooperation activities (core funds and extrabudgetary) was $23 million in 2001; no figures are available to show how much of this amount involved technical cooperation among developing countries. In the area of training and capacity development, UNCTAD has entered into arrangements with several institutions in developing countries, including the International Institute for Trade and Development in Thailand, the Southern African Trade Research Network and the State University of Campinas in Brazil. It has also launched and supported several networks of think tanks and universities involved in the area of trade and development, such as the Latin American Trade Network and other subregional networks in the Africa region. An example of a successful project relating to technical cooperation among developing countries is the bilateral investment treaty (BIT) negotiations, meant to help developing countries, and particularly LDCs, to strengthen investment cooperation among themselves. At BIT negotiations for LDCs in January 2001, 41 agreements were concluded; at negotiations in October of the same year, another 13 were concluded.

52. The United Nations University (UNU) has used elements of South-South cooperation in projects relating to agriculture, science and technology, environment and poverty alleviation. It saw the growing number of experts in developing countries and the need for concerted efforts to overcome common challenges as the factors contributing most to South-South cooperation. Lack of effective institutions and communication and lack of resources were the greatest hindrances to its efforts at South-South cooperation. With core funding and specially mobilized project resources totalling $4.6 million in the period 2000-2001, UNU organized 24 training programmes in 12 countries and assigned 25 experts to 12 countries. It cited the People, Land Management and Environmental Change project as a successful example of triangular cooperation.

53. The FAO Special Programme for Food Security (SPFS) uses South-South cooperation to promote one of the primary goals of development. SPFS provides

experts from advanced developing countries to work directly with farmers in rural communities in other developing countries. Some 20 advanced developing countries have expressed their willingness to support one or more countries. Altogether, some 2,600 experts and technicians from developing countries are expected to work with the SPFS for a period of two to three years. The experts cover all areas relating to food security: irrigation, plant nutrition and soil fertility, marketing, cooperatives, rural credit and finance, seed production, agricultural engineering and animal and crop production, to name only a few. By March 2002, 26 agreements had been signed between countries, namely, Senegal-Viet Nam, Ethiopia-China, Eritrea-India, Niger-Morocco, Burkina Faso-Morocco, Benin-Viet Nam, Mauritania-China, United Republic of Tanzania-Egypt, Gambia-Bangladesh, Djibouti-Egypt, Madagascar-Viet Nam, Bangladesh-China, Mali-China, Malawi-Egypt, Equatorial Guinea-Cuba, Cape Verde-Cuba, Ghana-China, Cameroon-Egypt, Swaziland-Pakistan, Haiti-Cuba, Mozambique-India, Venezuela-Cuba, Lesotho-India, Lao People's Democratic Republic-Viet Nam, Republic of the Congo-Viet Nam and Guinea-Bissau-Cuba. Another 15 similar agreements are in different phases of preparation (http://www.fao.org/spfs/southsouth_en.stm).

54. An emerging agricultural issue is organic farming. Developing countries with growing organic-farming movements include: Bolivia, Cameroon, Ghana, India, Islamic Republic of Iran, Kenya, Lebanon, Nepal, Peru, Republic of Korea, Senegal, Solomon Islands, Sri Lanka, Uganda, United Republic of Tanzania and Zimbabwe. Major markets for organic products are growing at rates of 10-15 per cent per year, according to UNCTAD, and technical cooperation is invaluable in assisting organic farmers in developing countries to cope with a range of problems from access to information and meeting regulatory codes to finance, transport and packaging. Few Governments have policies and capacities to extend such help. FAO and UNCTAD are helping to change this through seminars and dissemination of information materials.

55. The normative work of the World Health Organization (WHO) has strengthened national information systems on health and has led to an integrated approach to the surveillance of communicable diseases that pools the resources and capacities of networked laboratories, vital registration systems, service systems and sentinel sites. WHO regional offices support a range of networks that generate and use information. Regional networks have helped 70 countries to have full national health accounts. Cooperation among developing countries has been instrumental in the production of the first World Health Report in 2002, which presents information for 14 epidemiological subregions. Over 100 outside collaborators were involved in the effort to quantify the extent of the burden associated with each risk factor and to outline the costs and effects of selected interventions to reduce the burden.

56. All five regional commissions of the United Nations have made significant contributions to South-South cooperation. Those in Africa, Asia and Latin America have been involved in one way or another in most of the programmes and projects described above. In addition, they play a key role in dealing with the issues of specially disadvantaged groups of countries. LDCs are a particular concern for Africa (where 34 of 49 LDCs are found) and Asia (which has 14). The United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), in collaboration with UNDP, has established the ESCAP/UNDP Poverty Centre, which will review the major indicators of the Millennium Development Goals and facilitate the monitoring of progress towards the goals set by the 2001 Third United Nations

Conference on the Least Developed Countries. During the period under review, ESCAP missions visited Cambodia (development planning) and Myanmar (space applications for geologic surveys, WTO agreements, and trade and investment). ECA undertook a comprehensive assessment of the economic and social condition of LDCs in the region and initiated policy-relevant work designed to enhance their capacity to participate in international trade and trade negotiations relating to the African, Caribbean and Pacific (ACP) Group of States-European Union cooperation agreements. LDC negotiators also participated in a preparatory meeting in June 2001 for the Fourth WTO Ministerial Conference later the same year.

57. The ESCAP Pacific Operations Centre in Vanuatu channels most activity relating to technical cooperation among developing countries for the region's 19 small island States. A total of 50 activities relating to economic and technical cooperation were implemented under this programme during the period 2000-2001, the majority of them involving the development of human resources. Several Member States participated in the implementation under their national programmes for technical cooperation among developing countries. There was also close cooperation with subregional organizations, such as the Pacific Islands Forum Secretariat and the South Pacific Regional Environment Programme. A subregional preparatory meeting for the World Summit for Social Development helped to incorporate the Pacific Islands viewpoint into the Asia and the Pacific regional position. The ESCAP Pacific Trust Fund, established in 1988, ensures that Pacific Island countries actively participate in the annual ESCAP sessions. In addition, the Special Body on Pacific Island Developing Countries helps Pacific Island countries to identify their priority areas for technical assistance from ESCAP.

58. The implementation of the Programme of Action for the Sustainable Development of Small Island Developing States in the Caribbean is a joint endeavour of ECLAC and CARICOM, the latter entrusted with political outreach. In mid-2001, an updated joint work programme with social, economic and environmental components was adopted.

59. Following the first and second (1999, 2001) meetings of the regional commission officials responsible for the development of transport infrastructure, the General Assembly in 2001 approved a $1.25 million project to develop interregional land and land-cum-sea transport linkages. It will enable countries to assess the development impact of potential interregional transport linkages by strengthening the capacity of their officials to identify physical and non-physical impediments and opportunities. The third meeting of regional transportation officials (2002) carried forward the process of project implementation and budget allocation as well as the possibility of cooperation in research and analysis to create a better understanding of existing and potential problems and opportunities.

60. On environmental issues, all the regional commissions are engaged in technical cooperation among developing countries. ECA, the United Nations Economic Commission for Europe (ECE) and ESCWA have a joint Mediterranean initiative that includes projects on groundwater and the environment, alternative funding mechanisms for renewable energy and environmental conservation. ECE and ESCAP have been working with Central Asian countries on a number of projects, including one on efficient use of energy and water resources. In addition, ECE and ESCAP have coordinated their energy-related activities and extrabudgetary resources, jointly publishing the Guide for the Promotion of Energy Conservation

Regulations in Economies in Transition. They also worked together on the first (2001) ESCAP North-East Asia Expert Group Meeting on Inter-country Cooperation in Electric Power Development.

VIII. Non-governmental organizations

61. Non-governmental organizations (NGOs) play a significant advocacy and operational role in many areas of South-South cooperation, and each specialized agency of the United Nations system has its own cluster of partner NGOs. Often the patterns of cooperation that NGOs promote involve North-South and South-South processes. For example, AGRECOL, an NGO with a membership of farmers and representatives of farmers groups from over 20 countries, has led the way in popularizing organic farming and is also playing a lead role in providing technical support for organic farmers in developing countries in their effort to formulate regionally relevant standards. At a meeting organized by AGRECOL in October 2002, NGOs, academics, research centres, organic certification agencies and advisory groups adopted a declaration endorsing support for close South-to-South collaboration between Asia, Africa and Latin America in developing a locally based and self-reliant organic agriculture movement. The group called for the development of national and regional organic standards in Southern countries and for a restructuring of the International Basic Standards and Codex Alimentarius for organically produced food.

IX. Conclusions

62. On the basis of the findings described in the narrative above, it is possible to reach the following conclusions:

(a) South-South cooperation is becoming a mainstream modality in all regions and most sectors. The rapid economic growth of a number of developing countries, increased technical ability in many more, the availability of high-quality expertise in the developing world and the fall of attitudinal barriers have all contributed to this success. In this sense, BAPA and the New Directions Strategy have been broadly implemented;

(b) South-South cooperation has drawn substantial and increasing support from developed countries. Although widely perceived to be inadequate, the scope of ongoing support for activities relating to technical cooperation among developing countries is substantial;

(c) Lack of information about developing countries is widely perceived to be an obstacle to South-South cooperation. There are no sufficient statistics or reliable estimates of how much is spent on technical cooperation among developing countries. This is true at the national, regional and international levels but very few Governments have addressed the need to create national databases of experts and capabilities;

(d) While there is considerable activity relating to technical cooperation among developing countries within the framework of regional commissions and other subregional groupings, only a few pivotal countries and Japan in the donor

community have given high priority to technical cooperation among developing countries in terms of policy and project activity;

(e) Lack of resources, information, analysis and policy have resulted in conceptual vagueness and lack of comprehension about the nature and scope of technical cooperation among developing countries at the national, regional and international levels. As a consequence, effective mechanisms and institutions to coordinate and manage South-South cooperation have not been developed;

(f) The points noted above mean that developing countries need to take a more strategic view of the catalytic role of technical cooperation among developing countries by strengthening the framework within and mechanisms within which to set policy, plan projects and coordinate activities. A strategic perspective is also essential if developing countries are to adopt policies and programmes to prepare their economies for entry into global markets, minimize negative effects and maximize benefits. It is also critical in order for developed and developing countries to make optimum use of scarce financial, institutional, scientific and technical resources. Without it, there can be no clear assessment of best practices and the effectiveness of partnerships between government, non-governmental entities and the private sector;

(g) As countries scale up their efforts to attract and benefit from export-oriented foreign direct investment, they face the challenge of dealing with transnational corporations and remaining competitive in a changing world market. Without cooperation and coordination, developing countries could engage in similar rather than complementary production and market strategies, risking a collapse of prices for their exports. Intense competition for export-oriented FDI could also become "a race to the bottom" in social and environmental standards. Cooperation among developing countries can build indigenous capacity to deal with and draw the most benefits from meeting these challenges.

X. Recommendations

63. The main conclusions of the present report relate to the inadequacy of information and analysis about South-South cooperation and the consequent lack of strategic perspective. This situation has received increasing attention from Governments in recent years because the periodic reviews of the action plans of major United Nations conferences have all shown a lag in strategic action. The General Assembly established a Working Group in 2002 to study the situation and make recommendations, and it is expected to submit its findings by May 2003. Developing countries have also focused on the problem of multiplying mandates and lagging implementation of action plans for cooperative action; the South Summit of the Group of 77, held in Havana in April 2000, specifically focused on this issue. The recommendations below aim at focusing international attention on strategic issues while creating incentives within existing systems of cooperation to generate the continuing information flows needed to steer South-South cooperation in the appropriate direction.

64. The High-level Committee on the Review of Technical Cooperation among Developing Countries may wish to recommend that:

(a) WIDE be continually developed as a mechanism to facilitate the sharing of information and lessons learned in view of the fact that work is under way for the system to be transformed into a key platform for the UNDP subregional resource facilities;

(b) The Special Unit for Technical Cooperation among Developing Countries surveys existing international technical cooperation arrangements within the framework of the action plans adopted by major United Nations conferences and South-South forums such as the South Summit. The Special Unit should, in consultation with United Nations organizations, subsequently recommend effective South-South mechanisms for implementing such action plans;

(c) The Special Unit for Technical Cooperation among Developing Countries devise new mechanisms to ensure the implementation of the recommendations of the High-level Committee through closer collaboration with selected subregional groupings in the developing world.

Acronyms and abbreviations

ACP	African, Caribbean and Pacific
ADB	African Development Bank
ARIA	Annual Report on Integration in Africa
ASEAN	Association of Southeast Asian Nations
BAPA	Buenos Aires Plan of Action
BIT	bilateral investment treaty
CARICOM	Caribbean Community
CEFIR	Training Centre for Regional Integration
ECA	Economic Commission for Africa
ECE	Economic Commission for Europe
ECLAC	Economic Commission for Latin America and the Caribbean
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
FAO	Food and Agriculture Organization of the United Nations
FBC	Brazilian Cooperation Fund
FDI	foreign direct investment
GCC	Gulf Cooperation Council
HIV/AIDS	human immunodeficiency virus/acquired immunodeficiency syndrome
IDB	Inter-American Development Bank
INBAR	International Network for Bamboo and Rattan
ITC	International Trade Centre
ITEC	Indian Technical and Economic Cooperation
ITU	International Telecommunication Union
JTCP	Joint Technical Cooperation Programme
LDC	least developed country
MTCP	Malaysian Technical Cooperation Programme
NERICA	New Rice for Africa
NGO	non-governmental organization
NTF	Nigeria Trust Fund
RBAS	Regional Bureau for Arab States
SAARC	South Asian Association for Regional Cooperation
SAFTA	South Asian free trade area

SPFS	Special Programme for Food Security
TCDC	technical cooperation among developing countries
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCDF	United Nations Capital Development Fund
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNU	United Nations University
USAID	United States Agency for International Development
WHO	World Health Organization
WIDE	Web of Information for Development
WTO	World Trade Organization

United Nations TCDC/13/2

Technical cooperation among developing countries

Distr.: General
24 March 2003

Original: English

HIGH-LEVEL COMMITTEE ON THE REVIEW OF TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES

Thirteenth session
New York, 27-30 May 2003
Item 3 of the provisional agenda

Consideration of Reports of the Administrator of the United Nations Development Programme

SUMMARY

The present report is submitted pursuant to decisions 12/1 and 12/2 of the High-level Committee on the Review of Technical Cooperation among Developing Countries. It covers: (a) the status of the implementation of the Revised Guidelines for the Review of Policies and Procedures concerning Technical Cooperation among Developing Countries and the common results framework that has been incorporated into the guidelines; (b) the status, management and use of the Voluntary Trust Fund for the Promotion of South-South Cooperation; and (c) the organizational, administrative and financial arrangements of the United Nations Development Programme in support of technical cooperation among developing countries. Based on the analysis contained in the report, a number of specific recommendations are advanced to promote the objectives of technical cooperation among developing countries and South-South cooperation in general.

03-29280 (E) 030403

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I. Introduction

1. In its decisions 12/1 and 12/2 of 1 June 2001, the High-level Committee on the Review of Technical Cooperation among Developing Countries reiterated the continuing importance of technical cooperation among developing countries in particular and South-South cooperation in general as strategies for optimizing the development potential of developing countries and as a means of ensuring their effective and equitable participation in the international economic system. It therefore called upon both developed and developing countries as well as the organizations and agencies of the United Nations system to redouble their efforts to promote South-South cooperation. In particular, it requested the organizations and agencies of the United Nations system, including regional commissions and multilateral institutions, to take further concrete measures to integrate systematically the use of the modalities of technical and economic cooperation among developing countries into their regular programmes in keeping with the New Directions Strategy.

2. In this context, the High-level Committee decided to review the Revised Guidelines for the Review of Policies and Procedures concerning Technical Cooperation among Developing Countries and the common results framework at its thirteenth session in 2003. In addition, it called upon the Administrator to take action to further mobilize resources for the Voluntary Trust Fund for the Promotion of South-South Cooperation. The Special Unit for Technical Cooperation among Developing Countries was also urged to develop en effective system for the management and use of the resources of the Trust Fund. Finally, the High-level Committee emphasized the need to ensure the effective role of the Special Unit for Technical Cooperation among Developing Countries as the substantive secretariat of the High-level Committee, the United Nations system coordinator for technical cooperation among developing countries, and the focal point for South-South cooperation. It therefore requested the Administrator to ensure that the separate identity of the Special Unit within the United Nations be maintained. It also decided to review periodically the impact and functioning of the Special Unit in supporting, promoting and coordinating technical cooperation among developing countries on a global and system-wide basis.

3. In keeping with the above-mentioned decisions, the present report reviews (a) the implementation of the Revised Guidelines for the Review of Policies and Procedures concerning Technical Cooperation among Developing Countries; (b) the status, management and use of the Voluntary Trust Fund for the Promotion of South-South Cooperation as well as other resource-mobilization initiatives; and (c) the organizational, administrative and financial arrangements for technical cooperation among developing countries. In each of these areas, the report advances recommendations designed to strengthen support for technical cooperation among developing countries in particular and South-South cooperation in general.

II. Implementation of the United Nations system guidelines and common indicators for the promotion of technical cooperation among developing countries

4. The effective promotion of technical cooperation among developing countries by the organizations and agencies of the United Nations system requires the adoption of appropriate policies and procedures to guide the design, formulation, implementation, monitoring and evaluation of such cooperation. It was this consideration that motivated the High-level Committee on Technical Cooperation among Developing Countries, in its decision 7/1 of June 1991, to call for the preparation of guidelines for the review of policies and procedures on technical cooperation in the various United Nations organizations and agencies.

5. In response to decision 7/1, the Special Unit for Technical Cooperation among Developing Countries prepared guidelines that sought to systematize the principles that would inform the policies and procedures of various United Nations organizations and agencies in their support for technical cooperation among developing countries. At its eighth session, held in 1993, the High-level Committee welcomed the preparation of the guidelines and requested the organizations of the United Nations system to apply them on an experimental basis.

6. The guidelines were revised in 1997 to make them consistent with the New Directions Strategy for Technical Cooperation among Developing Countries that had been prepared by the Special Unit at the request of the General Assembly and approved by the High-level Committee. The revision also took into account the comments and recommendations of the Administrative Committee on Coordination (now the United Nations System Chief Executives Board for Coordination) and other policy directives emanating from the decisions and resolutions of the General Assembly, the Economic and Social Council, the High-level Committee and the Executive Board of UNDP and UNFPA.

7. At the request of the High-level Committee, the Special Unit for Technical Cooperation among Developing Countries prepared a number of common indicators for measuring and reporting on progress made by the various United Nations organizations in the implementation of the revised guidelines. The proposed indicators were discussed at an inter-agency meeting of focal points for technical cooperation among developing countries convened by the Special Unit on 7 June 1999, following the eleventh session of the High-level Committee. As a result of these discussions, it was agreed that the Special Unit would take the lead in developing a common results framework, based on normative and operational indicators as well as innovative approaches to technical and economic cooperation among developing countries. The framework would be used by the various United Nations organizations on a pilot basis.

8. A review of the reports prepared for the twelfth session of the High-level Committee by the various organizations and agencies on the activities they had carried out suggests that the organizations and agencies sought to apply the pilot indicators in the preparation of their reports. In this regard, a number of the reporting organizations, most notably the Economic and Social Commission for Asia and the Pacific (ESCAP), Food and Agriculture Organization of the United Nations (FAO), International Trade Centre (ITC), United Nations Conference on Trade and Development (UNCTAD), United Nations Population Fund (UNFPA) and World Intellectual Property Organization (WIPO), indicated that they had formulated appropriate policies and had also established focal points to ensure priority consideration for technical cooperation among developing countries in their programming activities in keeping with the provisions of resolution 1994/41 of the Economic and Social Council. Several of these organizations and agencies also reported that, at the operational level, they had established networks relating to South-South cooperation, such as the Internet-based Emergency Prevention System for Transboundary Animal and Plant Pests and Diseases (EMPRES) programme of FAO, the interactive networks created by ITC within the framework of the World Trade Net, the ESCAP Network of Local Government Training and Research Institutions (LOGOTRI) and WIPONET, established by WIPO.

9. The reporting organizations had also sought to promote the exchange of skills and experiences among developing countries in their respective areas of competence. In addition, the organizations and agencies concerned had succeeded in developing a number of innovative approaches to technical cooperation among developing countries and South-South cooperation. This was the case in the FAO Partnership programme that facilitates the exchange of expertise between developing countries and countries in transition; the FAO Special Programme for Food Security, which facilitates the transfer of experience from the more advanced developing countries to other developing countries; aspects of the ITC World Trade Net focused on the strengthening of trade-related capacities in the developing countries; and the UNFPA decentralized programming modality in support of technical and economic cooperation among developing countries.

10. The Revised Guidelines for the Review of Policies and Procedures concerning Technical Cooperation among Developing Countries, together with the common results framework that was annexed to the report of the Administrator contained in document TCDC/12/3, were submitted to the twelfth session of the High-level Committee with a recommendation that the Committee request the organizations of the United Nations development system to: (a) follow the Revised Guidelines more rigorously in designing their programmes and use the common results framework systematically in monitoring and measuring results; and (b) intensify their effort to mainstream technical cooperation among developing countries, especially at the country level, by using country planning, programming and reporting mechanisms. These mechanisms included the United Nations Development Assistance Framework (UNDAF), cooperation frameworks at the country, regional and interregional levels, and the results-oriented annual report (ROAR). In addition, it was recommended that the

Committee also request the Special Unit to increase developing-country access to the Web of Information for Development (WIDE) and strengthen WIDE linkages with development-oriented networks in developing countries as well as those of the organizations of the United Nations development system.

11. Although the recommendation in (b) was endorsed by the High-level Committee in its decisions 12/1 and 12/2, the Committee nevertheless indicated its desire to review the Revised Guidelines as a separate agenda item at its thirteenth session.

12. At the inter-agency meeting of focal points for technical cooperation among developing countries that was convened by the Special Unit for Technical Cooperation among Developing Countries on 4 June 2001 immediately following the twelfth session of the High-level Committee, it was acknowledged that although the common results framework developed by the Special Unit had enabled the various United Nations organizations and agencies to improve their reporting on activities carried out in support of technical and economic cooperation among developing countries, it was still not possible to capture in the report to the Committee all of the interventions of the United Nations system relating to technical cooperation among developing countries. The main reasons for this were the limitations imposed by the stipulated length of the report to be submitted to the High-level Committee and, more importantly, the inherent difficulty in fully capturing all of the activities relating to technical cooperation among developing countries since the United Nations system did not have a suitable mechanism for attributing the proper financial value to project budget inputs relating to technical cooperation among developing countries. It was acknowledged, therefore, that a more proactive approach would need to be adopted to achieve a proper attribution of activities to technical cooperation among developing countries and to arrive at a suitable valuation of such activities. It was agreed that an effort would be made to incorporate the common results framework into the Revised Guidelines since the indicators contained in the framework had proved useful in enabling United Nations organizations and agencies to systematize their reports on activities in the area of technical cooperation among developing countries prepared for submission to the High-level Committee.

13. The Guidelines have therefore been revised on the basis of the above-mentioned consultations with the United Nations organizations and agencies and now incorporate as an integral element the common results framework that had been submitted to the twelfth session of the High-level Committee as an Annex to the report of the Administrator contained in document TCDC/12/3 of 22 March 2001. In addition, the Guidelines identify a number of new issues that need to be taken into account in the promotion of activities relating to technical and economic cooperation among developing countries.

14. It is proposed, therefore, that the High-level Committee endorse the Revised Guidelines and request United Nations organizations and agencies to use them as a framework for orienting their support to technical cooperation among developing countries and South-South cooperation.

III. Status, management and use of the Voluntary Trust Fund for the Promotion of South-South Cooperation and related resource-mobilization initiatives

15. The Voluntary Trust Fund for the Promotion of South-South Cooperation was established by the Administrator in 1996 at the request of the General Assembly. It was set up in recognition of the need to mobilize an adequate level of resources to fund South-South-cooperation activities that had emerged as a priority area of development cooperation. It was deemed a priority owing to the increasing number of programmes adopted by the developing countries in their various intergovernmental forums and the call for the United Nations system to intensify its efforts in support of such cooperation.

16. The Voluntary Trust Fund, which comes under the overall authority of the Administrator, is managed by the Director of the Special Unit for Technical Cooperation among Developing Countries, who receives semi-annual reports from staff responsible for projects funded from the Trust Fund. Expenditures on projects financed from the Trust Fund are reflected in a separate section of the Financial Ledger maintained by the Special Unit to ensure

the effective monitoring of expenditures incurred within this framework. The Director of the Special Unit reports to the Associate Administrator of UNDP on activities carried out under the Trust Fund.

17. In the period 2001-2002, the Voluntary Trust Fund attracted contributions amounting to $750,000: $650,000 from China and $109,000 from the Republic of Korea.

18. These resources have been complemented by cost-sharing contributions from the Government of Japan totalling $8,150,000 and channelled to UNDP under the Japan Human Resources Development Fund (JHRDF), and by parallel funding from the Rockefeller Foundation ($117,000), the International Development Research Centre ($400,000) and the Canadian International Development Agency ($1,040,000). The core resources available to the Special Unit during the corresponding period to fund activities relating to technical cooperation among developing countries amounted to $5,321,000.

19. The resources contributed to the Voluntary Trust Fund, together with the cost-sharing contribution of the Government of Japan to South-South cooperation from the JHRDF, were used to fund projects in the five thematic areas set out in the New Directions Strategy. Allocations were made to projects mainly in the areas of poverty eradication and trade and investment, with a smaller proportion being assigned to aid management. Assistance was also provided to projects dealing with coordination of macro-economic policies and environmental protection. The major allocations of the JHRDF were provided in support of the Africa/Asia Cooperation Programme, which was implemented as a follow-up to the Tokyo International Conference on African Development (TICAD) and which accounted for some 52 per cent of the resources available, and intra-Asia cooperation, which accounted for approximately 27 percent of the resources. Although Africa and Asia featured prominently in the allocation of resources, assistance was also provided to project activities carried out in the Arab States, Eastern Europe and Latin America and the Caribbean.

20. Two of the more notable projects funded under the TICAD initiative were the Africa-Asia Business Forum and the New Rice for Africa (NERICA) project. The latter, which was carried out in collaboration with the West Africa Rice Development Association (WARDA), proved extremely promising in generating high-yielding, disease-resistant varieties that are expected to result in a significant increase in rice production in West Africa and a corresponding decrease in imports of this crop. In order to disseminate NERICA, the African Rice Initiative (ARI) was established as a collaborative partnership linking West African countries with donors, non-governmental organizations (NGOs) and farmers associations. ARI is expected to play a major role in the implementation of the New Partnership for Africa's Development (NEPAD) and NERICA will contribute to the promotion of rice production during the United Nations International Year of Rice in 2004.

21. All of the projects supported were subjected to a project appraisal process carried out within the framework of a Project Appraisal Committee (PAC) organized by the Special Unit. Consultations were also held with contributing Governments and institutions with respect to the design and formulation of the projects.

22. Since the twelfth meeting of the High-level Committee held in May/June 2001, contributions to the Voluntary Trust Fund have been quite modest despite the efforts of the Special Unit to sensitize prospective contributors to the financial requirements of the Fund and the several intergovernmental decisions adopted by the General Assembly and the High-level Committee, which called upon prospective donors to contribute to the Fund. Indeed, in operative paragraph 3 of decision 12/1B, the High-level Committee, while welcoming the financial contributions made by some developed and developing countries to the Voluntary Trust Fund as well as triangular cooperation initiatives catalysed or managed by the Special Unit, urged other developed and developing countries with the capacity to do so to contribute to the Trust Fund.

23. Given the dearth of contributions to the Voluntary Trust Fund, the Special Unit for Technical Cooperation among Developing Countries is formulating a resource-mobilization strategy for the period 2003-2005, taking into account the financial status of donors, pivotal countries with respect to technical cooperation among developing countries, and the private sector. The strategy will be based on the formulation of marketable programmes relating to technical cooperation among developing countries and South-South cooperation that

could prove attractive to prospective donors. An effort will be made to involve potential contributors in the development of such initiatives. Emphasis will also be placed on triangular cooperation arrangements, which have proved very attractive to a number of traditional donors as well as pivotal countries in recent years.

24. In pursuing this strategy, the Special Unit will prepare suitable literature outlining the increasing importance of technical cooperation among developing countries, emphasizing the benefits of the modality in formulating and implementing development cooperation activities on the ground. The modality is cost-effective since it involves the transfer to other developing countries of the expertise and experiences available in the more advanced developing countries. Much of that expertise is the result of investments in traditional North-South development cooperation.

25. It will be important, nevertheless, for the High-level Committee to continue to urge both developed and developing countries as well as private foundations to redouble their effort to contribute to the Voluntary Trust Fund. Such contributions are needed to ensure that adequate resources are available to support South-South cooperation, which is increasingly being recognized as a strategic instrument in support of the development aspirations of the developing countries and as a means of enabling them to respond to the major challenges presented by globalization.

IV. Organizational, administrative and financial arrangements of the United Nations Development Programme in support of technical cooperation among developing countries

26. An effective organizational structure at the international level is a critical requirement for the promotion of a dynamic programme of technical and economic cooperation among developing countries. In this regard, the role of the Special Unit for Technical Cooperation among Developing Countries, by virtue of its wide-ranging responsibilities with respect to technical cooperation among developing countries in particular and South-South cooperation in general, occupies a central place in the institutional architecture for the coordination, promotion and management of South-South cooperation. It is suitably positioned for such a role in view of its close collaboration with the various organizations and agencies of the United Nations system, the Group of 77 and selected groups of developing countries.

27. In recognition of the central role of the Special Unit in the promotion of technical and economic cooperation among developing countries, the High-level Committee on the Review of Technical Cooperation among Developing Countries, the Economic and Social Council and the General Assembly have consistently called for the maintenance of its separate identity within the structure of UNDP and for the strengthening of its capacity to carry out its responsibilities. This position was clearly articulated in operative paragraph 5 of decision 12/2 adopted at the twelfth session of the High-level Committee. The latter not only endorsed the need to ensure an effective role for the Special Unit as the substantive secretariat of the High-level Committee, the United Nations system coordinator for technical cooperation among developing countries and the focal point in the United Nations system for South-South cooperation but also requested the Administrator to ensure that the separate identity of the Special Unit within UNDP is maintained. This language reflects a long-established intergovernmental consensus on the subject.

28. The mandate of the Special Unit is reflected in the Buenos Aires Plan of Action for Technical Cooperation among Developing Countries as well as in various policy directives contained in decisions and resolutions adopted by the High-level Committee, most notably in the New Directions Strategy, the Economic and Social Council and the General Assembly as well as in relevant decisions of the Executive Board of UNDP and UNFPA.

29. While the original mandate of the Special Unit with respect to technical cooperation among developing countries reflected in these documents remains valid, the recent designation of the Special Unit as the focal point for South-South cooperation within the United Nations system has the effect of expanding its original mandate. Moreover, the changes in the international economic environment caused by globalization and the adoption of new development cooperation frameworks such as the Havana Programme of Action adopted by the South Summit of the Group of 77 in April 2000, the Tehran Consensus, the Millennium Declaration and the Monterrey Consensus on Financing for Development, the Third

United Nations Conference on the Least Developed Countries and the Johannesburg Plan of Implementation have altered the context in which technical cooperation among developing countries and South-South cooperation will have to be pursued. These factors therefore necessitate some reorientation in the strategic focus of the work of the Special Unit as well as adjustments in its organizational structure. Proposals in this regard are set out in the following sections of the present report.

30. It is proposed that the long-term agenda of the Special Unit be inspired by the need to use technical cooperation among developing countries in particular and South-South cooperation in general as vital instruments in support of the development efforts of the developing countries and as an important strategy for ensuring their effective and equitable participation in the international economic system. In keeping with this perspective, the Special Unit will pursue the following objectives:

(a) Increase awareness of the importance of South-South cooperation in achieving the objectives of the various economic declarations and programmes of action adopted by the developing countries and also in meeting the goals of international development cooperation arrangements, most notably, the Millennium Declaration;
(b) Facilitate the use of South-South cooperation as a cost-effective modality of development cooperation;
(c) Contribute to the mobilization and pooling of resources and the transfer of expertise and experiences among developing countries in support of their individual and collective development goals;
(d) Elaborate innovative instruments that could be used by the developing countries to strengthen cooperation among them in support of national and collective development goals;
(e) Serve as a broker by mediating and establishing the conditions for effective cooperation among potential partners in the South; and
(f) Support the collective efforts of the developing countries to respond effectively to the challenges posed by their integration into the global economy.

31. In carrying out these functions, the Special Unit will advise on institutional frameworks within which South-South cooperation could take place; assist in setting up entities that facilitate the use of the modality of South-South cooperation; and advise Governments, the private sector, the NGO community and other relevant institutions in the developing countries on the opportunities for South-South cooperation. It will also provide developing countries with information that could guide and facilitate policy formulation and decision-making in the area of South-South cooperation; support the efforts of the developing countries to ensure their effective participation in global negotiations; and support pilot initiatives that have strategic importance for the use of South-South cooperation in achieving the Millennium Development Goals.

32. The Special Unit will seek to encompass both its traditional mandate to promote technical cooperation among developing countries and its new responsibilities with respect to South-South cooperation referred to in decision 12/2 paragraph 5 of the High-Level Committee on the Review of Technical Cooperation among Developing Countries. In addition, it will maintain a dual focus in terms of its responsibilities as a catalyst in facilitating the mainstreaming of the modalities of technical and economic cooperation among developing countries in UNDP programmes and projects and as system-wide coordinator for South-South cooperation.

33. Some of the criteria that will be used to identify the activities in which the Special Unit will become involved include the participation and commitment of a reasonably large number of developing countries and the projected strategic impact of the proposed activities. Consideration will also be given to the likely support or involvement of other UNDP bureaux or units in the proposed initiatives.

34. In recognition of the importance of forging effective partnerships for the promotion of South-South cooperation, the Special Unit will seek to establish close working relations with the various bureaux and units within UNDP, based on increased consultation with respect to project design and formulation and the implementation of joint activities.

35. The further evolution of the programmatic links between the Special Unit and the various bureaux and units within UNDP will take into account UNDP practice areas and the stewardship of the coordination function exercised by UNDP Resident Representatives in their capacity as Resident Coordinators.

36. In seeking to establish working relations with other organizations and agencies of the United Nations system, the Special Unit will promote complementary relationships, based on convergent interests and objectives and shared responsibilities, in which each agency will bring to bear its particular sectoral competence. Areas of interest identified for collaboration with agencies include consultations on project formulation, joint project design and joint resource-mobilization activities.

37. In addition to the complementary arrangements identified above, the Special Unit, as was noted earlier, exercises an important responsibility in its roles as coordinator of the promotion of activities relating to technical cooperation among developing countries throughout the United Nations system and focal point for South-South cooperation within the system. However, given its limited human and financial resources, the Special Unit will focus on specific priorities based on the establishment of suitable platforms for discussion with the various agencies on thematic issues relevant to technical cooperation among developing countries and South-South cooperation. The strategy elaborated by the Special Unit in pursuing these initiatives will focus on a number of key actions. These include the sensitization of the various United Nations organizations and agencies to the needs of technical cooperation among developing countries and South-South cooperation and the promotion of increased collaboration between the Special Unit and other United Nations organizations and agencies.

38. In seeking to work with the various partners identified, emphasis will be placed on the need to combine the comparative advantages or strengths of the prospective development partners and those of the Special Unit. The strength of the latter lies in its role as the official link between UNDP and the Group of 77, which enables it to facilitate working relationships between the two organizations. In addition, the Special Unit is establishing a comprehensive database on South-South cooperation, including documentation on best practices, which bureaux and country offices will be able to access in order to identify experts and institutions in the South as well as opportunities for South-South cooperation and sustainable development in general.

39. Mainstreaming South-South cooperation in the operational activities of the United Nations system is one of the main objectives of the Special Unit for Technical Cooperation among Developing Countries. The strategy to be pursued by the Special Unit in seeking to mainstream technical and economic cooperation among developing countries in the various United Nations organizations and agencies will focus on: (a) the incorporation of South-South cooperation elements into the programming instruments of UNDP and other organizations and agencies of the United Nations system such as country cooperation frameworks, UNDAFs and common country assessments; (b) the provision of incentives to encourage bureaux, units and country offices to use the modality of South-South cooperation in operational activities supported by them; and (c) the design and implementation of a suitable capacity-building programme for UNDP staff at headquarters and in country offices in order to sensitize them to the importance of technical cooperation and South-South cooperation.

40. In the particular case of UNDP, the Executive Board had requested the Special Unit to prepare a strategy for the mainstreaming of technical cooperation among developing countries. Based on the strategy paper prepared by the Special Unit, it is proposed that in seeking to mainstream South-South cooperation in UNDP, the Special Unit work within the framework of the UNDP practice areas, namely, democratic governance, poverty reduction, crisis prevention and recovery, energy and the environment, information and communications technology, and HIV/AIDS. In this context, the Special Unit will focus on facilitating the access of the developing countries to the global economy; the introduction of information and communication technologies in support of the commercial activities of the developing countries; offsetting the negative effects of globalization; developing critical institutions of governance and economic management; and transferring indigenous capacities, technology and know-how in a number of key areas relevant to the development needs of the developing countries.

41. As part of the mainstreaming strategy, the Special Unit will assume the role of catalyst, broker and facilitator by identifying potential issues that lend themselves to South-South cooperation, establishing the conditions for effective cooperation among potential partners and providing a number of services to governments, the private sector, academic institutions and NGOs in order to guide policy and decision-making with respect to South-South cooperation.

42. The approach to be adopted by the Special Unit will be based on an assessment of demand and supply among prospective participants. It will be catalytic in nature in that it will use a small amount of resources to generate additional funding. It will also be dynamic in its thrust; substantive in content, based on the achievement of increased value added on the part of the Special Unit; and focused on speed and efficiency in its response.

43. The effectiveness of the proposed new orientation of the Special Unit will depend on the availability of an adequate level of resources to support such a programme. The efforts being made to mobilize resources under the Voluntary Trust Fund for the Promotion of South-South Cooperation and other non-core funding were highlighted earlier in the present report. However, it should be pointed out that, based on the request by the Executive Board of UNDP and UNFPA that consideration be given by the Administrator to increasing the resources allocated for activities relating to technical cooperation among developing countries sponsored by the Special Unit, the Board, in its decision 2002/1, approved an annual allocation of $3.5 million for technical cooperation among developing countries. In 2002, the General Assembly, in its resolution A/C.2/5/57/L.53, par. 10 decided to include the Voluntary Trust Fund for the Promotion of South-South Cooperation in the Pledging Conference for Development Activities as long as the Conference exists.

44. While this annual allocation represents an increase over the amount allocated for technical cooperation among developing countries during the previous programming period, it is by no means adequate to satisfy the demand for support to various initiatives relating to technical cooperation among developing countries and South-South cooperation. It is for this reason that the Special Unit has embarked on a resource-mobilization strategy designed to secure resources for an expanded programme of South-South cooperation. The strategy is based upon a two-pronged approach: targeting traditional sources of funding for technical and economic cooperation among developing countries and, in collaboration with the Bureau for Resources and Strategic Partnerships, tapping new sources such as developing countries designated as having a pivotal role in South-South cooperation and private foundations. In addition, increased emphasis will be placed on triangular cooperation arrangements, in which a number of donors have expressed an interest.

45. It is felt that the reorientation of the functions of the Special Unit along the lines proposed, together with the adoption of a proactive resource-mobilization strategy, will enable the Special Unit to serve as a dynamic instrument for the promotion of both technical cooperation among developing countries in particular and South-South cooperation in general. However, in carrying out its responsibilities, the Special Unit will continue to be guided by the policy directives contained in the decisions and resolutions of the High-level Committee on the Review of Technical Cooperation among Developing Countries, most notably the New Directions Strategy, the Economic and Social Council and the General Assembly as well as in relevant decisions of the Executive Board of UNDP and UNFPA. In addition, it will take into account the charter documents on technical and economic cooperation among developing countries, most notably the Buenos Aires Programme of Action on Technical Cooperation among Developing Countries, the Caracas Programme of Action on South-South cooperation, the Havana Programme of Action adopted by the South Summit of the Group of 77, the Tehran Consensus and other relevant global development-cooperation frameworks, most notably the Millennium Declaration.

V. Recommendations

46. Based on the foregoing analysis, it is recommended that:

(a) The Revised Guidelines for the Review of Policies and Procedures concerning Technical Cooperation among Developing Countries, which now incorporate the common results framework, be approved;

(b) The organizations and agencies of the United Nations system be requested to follow the Revised Guidelines for the Review of Policies and Procedures concerning Technical Cooperation among Developing Countries in the design, formulation, implementation, monitoring and evaluation of their development cooperation programmes and projects;

(c) Developed and developing countries in a position to do so be urged to contribute to the Voluntary Trust Fund for the Promotion of South-South Cooperation in order to enable the Special Unit for Technical Cooperation among Developing Countries to fund initiatives aimed at expanding programmes and projects involving technical cooperation among developing countries and South-South cooperation;

(d) The resource mobilization strategy for technical cooperation among developing countries outlined in the present report be endorsed;

(e) United Nations organizations and agencies be urged to collaborate with the Special Unit for Technical Cooperation among Developing Countries in intensifying efforts to mainstream technical and economic cooperation among developing countries in their development activities.